

Message Text

PAGE 01 STATE 287636
ORIGIN EUR-12

INFO OCT-01 ISO-00 DODE-00 CIAE-00 PM-05 INR-07 L-03
ACDA-12 NSAE-00 PA-01 SS-15 PRS-01 SP-02 USIA-06
TRSE-00 /065 R

DRAFTED BY OSD/DDR AND E:RCALAWAY
APPROVED BY EUR/RPM:SJLEDOGAR
OASD/ISA:MAJ. INGRAM(SUBSTANCE)
OSD/DDR AND E:C.DEJONGE(SUBSTANCE)
EUR/RPM:JAFROEBE, JR.

-----027652 020520Z /14

P 020252Z DEC 77
FM SECSTATE WASHDC
TO USMISSION USNATO PRIORITY

C O N F I D E N T I A L STATE 287636

E.O. 11652: GDS

TAGS: NATO, MPOL

SUBJECT: AGENDA FOR PAPS STUDY GROUP MEETING ON DECEMBER
15-16

1. PLEASE PASS THE FOLLOWING PROPOSED AGENDA AND DISCUSSION
PAPER TO THE NADREPS FOR TRANSMITTAL TO THEIR REPRESENTATIV
ON THE PAPS STUDY GROUP.

2. IN DOING SO, YOU SHOULD NOTE TO NADREPS THAT
CHAIRMAN CALAWAY PROPOSES IN THIS INITIAL MEETING TO
FOCUS ON ISSUES WHICH SEEM TO BE POTENTIAL BARRIERS
TO HARMONIZED NATO/NATIONAL ARMAMENTS PLANNING:

-- HE HAS OUTLINED THESE ISSUES IN THE PAPER
FORWARDED TO YOU TODAY.

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-- HE PROPOSES TO SPEND THE FIRST DAY ELABORATING
THESE ISSUES IN DEPTH.

-- HE WOULD THEN DEVOTE THE SECOND DAY TO A STRUC-
TURED GROUP DISCUSSION OF THE ISSUES.

AGENDA

THURSDAY - 15 DECEMBER

1400 INTRODUCTORY REMARKS CHAIRMAN
REVIEW OF PAPS PHASE I
OBJECTIVES OF PAPS PHASE II
PROPOSED SCHEDULE OF EVENTS

1500 MAJOR SYSTEMS ACQUISITION PROCESS CHAIRMAN

1545 BREAK

1600 MAJOR SYSTEMS ACQUISITION PROCESS
(CONTINUED) CHAIRMAN

1630 GENERAL DISCUSSION AND COMMENT GROUP

1730 ADJOURN

FRIDAY - 16 DECEMBER

0930 STATUS REVIEW OF NAPR C. MULLER

1030 DISCUSSION OF ISSUES GROUP
- NATO MISSION AREA ANALYSES

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1100 BREAK

1115 - NATO REQUIREMENTS PREPARATION
- REQUIREMENTS APPROVAL PROCEDURES

1200 LUNCH

1330 DISCUSSION OF ISSUES (CONTINUED) GROUP
- PROGRAM INITIATION - NATO
VIS-A-VIS NATIONAL
- EXCHANGE OF INFORMATION -
GOVERNMENT/INDUSTRY

1500 BREAK

1515 - CONSTRAINTS ON PROTOTYPE DESIGNS
- RELATIONSHIP OF PAPS WITH
CURRENT EFFORTS

1630 REVIEW OF TOPICS/CONCLUSIONS CHAIRMAN
TOPICS FOR FURTHER STUDY
ORGANIZATION OF STUDY GROUP
AGENDA/SCHEDULE FOR NEXT MEETING

1700 ADJOURN

ISSUE PAPER FOR PAPS STUDY GROUP

THE NEXT SESSION OF THE PAPS AD HOC STUDY GROUP IS SCHEDULED FOR 15-16 DECEMBER IN BRUSSELS. RECOGNIZING THAT THE NEW MEMBERSHIP WILL BE ADDING THIS DUTY TO AN ALREADY HEAVY LOAD OF NATIONAL PLANNING ACTIVITIES, I PROPOSE THAT THIS INITIAL MEETING TRY TO FRAME THE ISSUES WHICH IT WILL FACE SUBSEQUENTLY IN DEVELOPING A NATO PAPS. THIS PAPER ATTEMPTS TO SET THE STAGE FOR AN ACTIVE DISCUSSION OF THE IMPACT THAT A NATO PAPS WOULD HAVE ON NATIONAL ARMAMENTS PLANS
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AND POLICIES. IN THIS WAY, PERHAPS WE CAN PRIORITIZE KEY AREAS FOR FURTHER STUDY BY THE END OF THE SESSION.

DISCUSSION

REVIEWING THE NATIONAL ARMAMENTS PLANNING SYSTEMS WHICH WERE PRESENTED TO THE STUDY GROUP IN MARCH 1977, IT IS APPARENT THAT MOST ALLIANCE NATIONS HAVE DEVELOPED THIS PROCESS TO AN ADVANCED STATE. THESE PLANNING SYSTEMS USEFULLY HAVE MUCH IN COMMON. THIS SIMILARITY HIGHLIGHTS THE DIRECTION THAT THE PHASE II STUDY GROUP SHOULD TAKE IN OUR SEARCH FOR AN EFFECTIVE NATO PLANNING BASE. RATHER THAN CONCERN OURSELVES WITH DETAILED PLANNING PROCEDURES, I PROPOSE THAT WE FOCUS ON DEVELOPING THE MANAGEMENT PROCESS WHEREBY NATO MILITARY NEEDS CAN BE IDENTIFIED, APPROVED AND SATISFIED, USING THE EXISTING ALLIANCE-WIDE ARMAMENTS RESEARCH, DEVELOPMENT AND ACQUISITION BASE. FUNDAMENTAL TO THIS APPROACH, I BELIEVE, IS THE CONCEPT THAT THE NATIONAL WEAPONS PLANNING AND BUDGETING SYSTEMS SHOULD BE VIEWED AS RESOURCES WHICH, WHEN PROPERLY ENERGIZED, CAN PROVIDE THE DESIRED RESULT. THESE NATIONAL SYSTEMS ARE OPERATING WITH A SIGNIFICANT INERTIA WHICH CANNOT (AND SHOULD NOT) BE ABRUPTLY DIVERTED. THE PROBLEM FOR THE PAPS STUDY GROUP THUS CAN BE VIEWED AS TO HOW TO DEFINE A NATO SYSTEM WHICH CAN USE NATIONAL PLANNING AND BUDGETING SYSTEMS IN A NON-DISRUPTIVE MANNER.

THE ULTIMATE OBJECTIVE OF A PAPS, I BELIEVE, IS TO HELP IMPROVE THE MILITARY EFFECTIVENESS OF THE ALLIANCE THROUGH MORE EFFICIENT USE OF THE DEDICATED RESOURCES. FROM THIS PREMISE A NUMBER OF KEY ISSUES DEVELOP WHICH SHOULD BE ANALYZED TO DETERMINE THEIR
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IMPACT ON NATIONAL PLANS AND PROGRAMS. THESE ISSUES ARE PRESENTED FOR CONSIDERATION IN THE FOLLOWING PARAGRAPHS WITHIN THE CONTEXT OF A TYPICAL MAJOR SYSTEM ACQUISITION PROCESS.

MAJOR SYSTEM ACQUISITION PROCESS

I SUGGEST THAT THE U.S. DOD'S MAJOR SYSTEM ACQUISITION PROCESS OFFERS A MODEL WHICH MIGHT USEFULLY BE EXAMINED FOR ITS POSSIBLE RELEVANCE TO NATO'S ARMAMENTS PLANNING PROBLEM. THE DOD PROCESS FOLLOWS A FORMAL PROCEDURE WHICH OPERATES IN CONJUNCTION WITH THE PLANNING, PROGRAMMING AND BUDGETING SYSTEM (PPBS). THIS PROCESS HAS RECENTLY BEEN REVISED TO FOCUS HIGH-LEVEL ATTENTION ON THE EARLY PHASES OF AN ACQUISITION, WITH PARTICULAR EMPHASIS ON JUSTIFICATION BASED ON MISSION NEED. A SECOND IMPORTANT FEATURE OF THE REVISED PROCESS IS A THOROUGH (AND FORMAL) EXAMINATION OF COMPETITIVE APPROACHES TO SOLVE THE PROBLEM PRIOR TO SELECTING SPECIFIC HARDWARE SOLUTIONS. OUR VIEW IS THAT THIS APPROACH WILL ENCOURAGE BROAD THINKING AND RESULT IN UNIQUE AND BETTER SOLUTIONS. A THIRD FEATURE OF THIS PROCESS WHICH, ALTHOUGH NOT NEW, IS GETTING FURTHER EMPHASIS IS THE USE OF MULTIPLE PROTOTYPES TO VALIDATE THE MOST PROMISING CANDIDATES PRIOR TO THE COMMITMENT OF MAJOR FUNDS. TWO MORE CHECKPOINTS ARE INCLUDED: FIRST, THE FULL-SCALE DEVELOPMENT MILESTONE WHERE A FINAL SYSTEM IS SELECTED; AND SECOND, THE PRODUCTION DECISION AT THE CONCLUSION OF RDT AND E.

EXAMINING THIS PROCESS AND ITS INTERACTIONS WITH BOTH THE PPBS AND THE NORMAL REQUIREMENTS SYSTEMS OF OUR MILITARY SERVICES, THERE ARE FEATURES WHICH, TO A FIRST APPROXIMATION, MIGHT BE USED AS A FRAMEWORK FOR SOLVING NATO'S DILEMMA OF JOINT PLANNING VIS-A-VIS INDEPENDENT NATIONAL ACTION. CLEARLY, A DIRECT
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APPLICATION OF THIS PROCESS WILL NOT BE APPROPRIATE, BUT IF WE EXAMINE IT FROM A GENERIC STANDPOINT, RATHER THAN A PROCEDURAL ONE, WE MIGHT CONSIDER HOW THESE OVERALL CONCEPTS COULD BE APPLIED TO NATO.

RELATION OF A TYPICAL SYSTEM ACQUISITION PROCESS TO NATO

A TYPICAL SYSTEM ACQUISITION PROCESS BEGINS WITH THE IDENTIFICATION OF A MISSION DEFICIENCY. THIS IS NORMALLY THE RESULT OF ON-GOING MISSION/THREAT ANALYSIS CONDUCTED BY THE MILITARY STAFFS. THIS DEFICIENCY (OR MISSION NEED) FIRST PASSES THROUGH ANALYSIS, APPROVAL AND PROGRAM INITIATION PHASES. THESE PHASES ARE GENERALLY HANDLED AT THE MILITARY/ CIVILIAN STAFF LEVELS AND FEW NATIONAL RESOURCES ARE COMMITTED. THE NEXT PHASES REPRESENT MAJOR INVESTMENTS OF PERSONNEL AND OTHER RESOURCES. THESE ARE TYPICALLY VALIDATION, DEVELOPMENT, PRODUCTION AND SUPPORT. THESE

PHASES/MILESTONES ARE EXPANDED IN THE FOLLOWING PARAGRAPHS. FOR EACH PHASE OR MILESTONE, THE STUDY GROUP SHOULD EXAMINE HOW THEY MIGHT BE APPLIED TO NATO AND HOW THEY MIGHT IMPACT ON NATIONAL POLICIES AND PROCEDURES.

1. MISSION ANALYSIS

- MISSION AREAS ARE DESCRIBED WHICH REPRESENT THE MAJOR ELEMENTS COMPRISING THE OVERALL MILITARY OBJECTIVE.
- WITHIN THESE MISSION AREAS, THE ELEMENTS (OR FUNCTIONS) ARE EXAMINED WITH RESPECT TO THE PROJECTED THREAT TO ESTABLISH WHEN THEY BECOME DEFICIENT, THEREBY COMPROMISING

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THE FORCES ABILITY TO PERFORM THE OVERALL MISSION.

- THESE DEFICIENCIES (OR MISSION NEEDS) ARE DOCUMENTED AND FORWARDED TO HIGHER LEVEL AUTHORITIES FOR CONCURRENCE. WITHIN NATO IT COULD BE THE MILITARY COMMITTEE IN CONJUNCTION WITH CNAD.

2. MILESTONE O - PROGRAM INITIATION

- RECOGNITION THAT THIS IS A CRITICAL NEED IS OBTAINED BY FORWARDING THE NEED STATEMENT TO THE CHIEF OF THE OPERATING DEPARTMENT. WITHIN NATO IT COULD BE THE NAC IN CONJUNCTION WITH THE DPC.
- IF THE DEPARTMENT CHIEF AGREES WITH THE NEED STATEMENT, HE DIRECTS THAT ALTERNATIVE SOLUTIONS BE EXPLORED. WITHIN THE NATO STRUCTURE THIS SHOULD BE THE APPROPRIATE MAJOR GROUP UNDER THE CNAD.

3. PHASE O - ANALYSIS OF ALTERNATIVE SOLUTIONS

- DURING THIS PHASE MULTIPLE STUDIES ARE CONDUCTED AND THE NEED AND POTENTIAL SOLUTIONS ARE VIEWED FROM THE TOTAL ORGANIZATIONAL STANDPOINT. AS SUCH, JOINT PROGRAMS ARE LIKELY WITH COMMON FUNDING. THIS PHASE COULD BE CONDUCTED UNDER THE DIRECTION OF THE CNAD WITH NATO INFRASTRUCTURE OR OTHER MULTINATIONAL FUNDING AND THE ASSIGNMENT OF A LEAD NATION WITH ONE OR MORE "DEPUTY" NATIONS.

4. MILESTONE I/PHASE I - VALIDATION PHASE

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- AT THE CONCLUSION OF PHASE O, A SMALL NUMBER OF THE MOST PROMISING ALTERNATIVES ARE SELECTED BY THE CNAD FOR VALIDATION VIA DEVELOPMENT AND TEST OF PROTOTYPES.
- AT THIS POINT FEW REQUIREMENTS ARE PLACED ON THE INTERNAL DESIGN IN ORDER TO ENCOURAGE INNOVATION. HOWEVER, A FEW CRITICAL EXTERNAL CONSTRAINTS ARE IMPOSED AND FOR THE NATO CASE STANDARD EXTERNAL INTERFACES SHOULD BE SPECIFIED.
- THE DECISION TO PROCEED CAN BE MADE BY THE NAC IN CONJUNCTION WITH THE DPC WITH DIRECTION TO THE CNAD FOR ACTION AS AT MILESTONE O. THE POSSIBILITY OF CONTINUING NATO, RATHER THAN NATIONAL FUNDING SHOULD BE EXAMINED IF THE EQUIPMENT IS WIDELY NEEDED BY THE ALLIANCE FORCES. HOWEVER, MULTINATIONAL PROGRAMS ARE LIKELY TO BE A MAJOR SOURCE AT THIS STAGE.
- PHASE I SCHEDULES FOR EACH PROTOTYPE SHOULD BE SIMILAR SO THAT THE RESULTS FROM ALL SYSTEMS CAN BE EVALUATED WHEN SELECTING THE CANDIDATE FOR FULL-SCALE PRODUCTION.

5. MILESTONE II/PHASE II - FULL-SCALE DEVELOPMENT

- MILESTONE II IS THE POINT WHERE THE FINAL SYSTEM IS SELECTED FOR FULL-SCALE DEVELOPMENT. THIS IS THE POINT WHERE LARGE EXPEDITURES

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BEGIN AND, THEREFORE, A COMPREHENSIVE REVIEW OF THE PHASE I RESULTS IS NECESSARY. THIS REVIEW COULD BE HELD BY THE CNAD WITH ENDORSEMENT BY THE NAC/DPC.

- AT THIS STAGE, THE DECISION CAN BE LEFT TO THE INDIVIDUAL NATIONS TO SELECT ANY OF THE SYSTEMS WHICH SATISFY THE OPERATIONAL REQUIREMENT. ALTHOUGH THE COSTS TO THE INDIVIDUAL NATIONS WILL BE HIGHER IF MORE THAN ONE SYSTEM IS DEVELOPED, THE INTERFACE CONSTRAINTS IMPOSED AT MILESTONE I ASSURE THAT THEY WILL BE INTEROPERABLE, THUS

SATISFYING A KEY OBJECTIVE OF THE ALLIANCE.

- GIVEN THAT A NATO-WIDE GOVERNMENT/INDUSTRY INFORMATION EXCHANGE HAD BEEN ENCOURAGED AT PHASE O (AND CONTINUES THROUGH THE PROGRAM LIFE CYCLE), IT IS LIKELY THAT THE INDUSTRY TEAMS WHICH WILL BE PROPOSING FULL-SCALE DEVELOPMENT PROGRAMS WILL BE MULTINATIONAL. AS SUCH, THE CO-DEVELOPMENT ISSUE AT THIS DECISION POINT WILL BE MITIGATED.

6. MILESTONE III/PHASE III - FULL-SCALE PRODUCTION

- FOR NATO THE DECISION TO COMMIT MAJOR PRODUCTION FUNDS SHOULD REMAIN A NATIONAL MATTER WITH THE NAC/DPC ADVISED (POSSIBLY THROUGH THE CNAD) REGARDING PLANNED DEPLOYMENT SCHEDULES.

- THE CONCEPT OF EARLY APPROVAL OF THE NEED AND JOINT INVOLVEMENT WITH THE SOLUTIONS SHOULD ALLOW THE NATIONAL ARMAMENTS PLANNERS SUFFICIENT LEAD TIME TO INSERT THIS PROGRAM INTO THEIR PROGRAMMING AND BUDGETING

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SYSTEM.

- AS IN THE FULL-SCALE DEVELOPMENT PHASE, IF JOINT EFFORTS AND INFORMATION EXCHANGE ARE ENCOURAGED WITHIN THE NATO INDUSTRIAL BASE, MANY CO-PRODUCTION AND CROSS-LICENSING ISSUES WILL BE RESOLVED BY NATIONAL MARKET FORCES.

CONCLUSIONS

THE ABOVE DISCUSSION RAISES A NUMBER OF ISSUES WHICH ARE BEYOND THE SCOPE OF THE AUTHORITY OF THE PAPS STUDY GROUP AND OUTSIDE THE AREA OF EXPERTISE OF THE GROUP MEMBERS. HOWEVER, THERE ARE OTHER AD HOC COMMITTEES WHICH ARE SPECIFICALLY RESPONSIBLE FOR MANY OF THEM. I PROPOSE THAT WE FOLLOW THEIR EFFORTS CLOSELY AND ADVISE THEM OF BOTH OUR INTEREST AND THE IMPORTANCE OF THEIR EFFORTS TO A SUCCESSFUL PAPS.

A CRITICAL INGREDIENT TO THE SUCCESS OF THIS CONCEPT WOULD BE THE ESTABLISHMENT OF A LESS RESTRICTED FLOW OF INFORMATION BETWEEN NATO COUNTRIES AND THE NATO INDUSTRIAL BASE. BETTER AND EARLIER UTILIZATION OF THIS ASSET (AN IMPORTANT ADVANTAGE NATO HAS OVER THE WP) WOULD BE CRITICAL TO THE DEVELOPMENT OF IMPROVED CAPABILITIES.

ANOTHER ISSUE REMAINS: HOW WE MIGHT "LINK"

CURRENT COOPERATIVE EFFORTS TO THE FRAMEWORK OF A
PAPS SO THAT WE COULD BETTER UNDERSTAND THEIR CONTRI-
BUTION TO THE OVERALL OBJECTIVE. IF WE ARE UNABLE
TO ACCOMPLISH THIS, THE PROBLEM OF SELLING AND
IMPLEMENTING A NATO PAPS BECOMES MUCH MORE DIFFICULT,
SINCE THE MAJORITY OF THE DEFENSE EXECUTIVES TIME
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WILL BE SPENT ON PROGRAMS OUTSIDE THIS FRAMEWORK. THIS
ISSUE SHOULD, I SUGGEST, RECEIVE CONSIDERABLE ATTENTION
FROM THE STUDY GROUP.

IT IS HOPED THAT THIS PAPER CAN PROVIDE A LIVELY
DISCUSSION AT THE FORTHCOMING STUDY GROUP MEETING.
AT THE CONCLUSION OF THAT MEETING, WE MIGHT TRY TO
SELECT THE MOST IMPORTANT ISSUES FOR FURTHER ANALYZING
(PERHAPS BY SUB-GROUPS).

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Message Attributes

Automatic Decaptioning: X
Capture Date: 22-Sep-1999 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETING AGENDA
Control Number: n/a
Copy: SINGLE
Sent Date: 02-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE287636
Document Source: ADS
Document Unique ID: 00
Drafter: OSD/DDR AND E:RCALAWAY
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Expiration:
Film Number: D770446-1000
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197712111/baaaeuno.tel
Line Count: 403
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Message ID: 51f35dfc-c188-dd11-92da-001cc4696bcc
Office: ORIGIN EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 8
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 30-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 119012
Secure: OPEN
Status: NATIVE
Subject: AGENDA FOR PAPS STUDY GROUP MEETING ON DECEMBER
TAGS: MPOL, NATO
To: USNATO
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/51f35dfc-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009